



We Energies  
231 W. Michigan Street  
Milwaukee, WI 53203  
[www.we-energies.com](http://www.we-energies.com)

Public Service Commission of Wisconsin  
RECEIVED: 07/31/13, 1:23:30 PM

July 31, 2013

Ms. Sandra J. Paske  
Secretary to the Commission  
Public Service Commission of Wisconsin  
Post Office Box 7854  
Madison, WI 53707-7854

Dear Ms. Paske:

**Application for Approval of Affiliated Interest Agreements Between      05-AE-118  
Wisconsin Electric Power Company and Elm Road Generating Station**

On November 10, 2003, the Commission issued an order authorizing Part II of Wisconsin Energy Corporation's proposal to construct new electric generating plants, which it has named Power The Future. In accordance with Condition 21 of this order and Mr. Scot Cullen's letter dated February 11, 2011, we are submitting the second quarter, 2013 report on behalf of WE Power.

Order Point 21 requires that Wisconsin Electric continue to file quarterly reports until the units are "fully operational". In accordance with the February 2011 letter, we continued to file reports for greater than the next two years.

Since that time, the units have demonstrated that they are fully operational and have had a high availability factor. We have complied with both the order point and the letter. As a result, we will no longer file reports under this docket. If the Commission desires that we file information related to the ERGS units we will do so outside of the referenced docket.

If you have any questions concerning this project, please contact me at (414) 221-3958.

Very truly yours,

A handwritten signature in black ink that reads "Paul R. Farron".

Paul R. Farron  
Manager Strategic Issues

# ELM ROAD GENERATING STATION



**Quarterly Report  
Second Quarter, 2013**

## 1.0 Introduction

In November 2003, the Public Service Commission of Wisconsin ("PSCW") approved the construction of two supercritical pulverized coal units, each sized at 615 megawatts, and common systems (the "Facility"). The Facility is an expansion of the Oak Creek Power Plant ("OCPP") and is located to the north of the existing units. Turnover, and achievement of commercial operation, of Unit 1 (including common systems) and Unit 2 was completed on February 2, 2010 and January 12, 2011, respectively.

Since turnover, Bechtel Power Corporation ("Bechtel"), the engineering, procurement and construction ("EPC") contractor has been working to achieve Final Acceptance. Final Acceptance activities, among other things, include:

- Completion of all outstanding Punchlist items
- Completion of remaining tuning and testing activities
- Demobilization of the site
- Completion of site restoration
- Receipt and acceptance of all required documentation

As stated in previous quarterly reports, Bechtel had been advised that achieving Final Acceptance was also dependent upon resolution of certain major warranty items.

On June 21<sup>st</sup>, 2013 Wisconsin Electric Power Company ("We Energies") reached an agreement with Bechtel, which settled the majority of the outstanding warranty claims. . Similarly, Elm Road Services, LLC ("ERS") reached an agreement with Bechtel settling all punchlist items. Therefore, having met the requirements for Final Acceptance, Elm Road Services, LLC ("ERS"), on June 26<sup>th</sup> 2013, issued Final Acceptance certificates to Bechtel for the Facility.

## 2.0 Unit Operating Performance

Unit performance statistics during the second quarter of 2013 are summarized below.

	Equivalent Availability Factor	Equivalent Forced Outage Factor
Unit 1	76.60%	0.77%
Unit 2	82.5%	0.00%

	Month	Net Generation MWH	Net Capacity Factor
Unit 1	4	-6632	-1.48
	5	-2969	-0.59
	6	198,004	43.7
Unit 2	4	15,994	3.51
	5	352,052	74.8
	6	152,491	33.4

### **3.0 Factors Affecting Unit Performance**

#### Unit 1

The unit was in economic reserve until May 12<sup>th</sup>, when a Planned Outage began to address wet electro static precipitator (WESP) plate alignment issues, make inspections and any needed repairs prior to the summer peak generation season. This planned outage ended on June 1<sup>st</sup> and the unit was again placed on economic reserve. The unit returned to service on June 10<sup>th</sup> and operated the remainder of the quarter, except for a short derating to address a primary air fan bearing vibration issue lasting about 25 hours.

#### Unit 2

The unit was placed into economic reserve on March 9<sup>th</sup> and remained in this status until April 28<sup>th</sup> when the unit returned to service in preparation for Fuel Flexibility testing. On May 16<sup>th</sup>, the unit began burning a blend of sub-bituminous coal (Powder River Basin or PRB). On June 15<sup>th</sup> the unit began a one week Maintenance Outage to inspect the unit for any issues after its initial run with the blended fuel. The inspection outage was extended eight days (until July 1<sup>st</sup>) to repair a boiler tube leak.